

**FISCAL YEAR 2017 – A BALANCED BUDGET FOR A STRONGER AMERICA**  
Frequently Asked Questions

Topline

**Q: When does the House Republican budget balance?**

**A:** This budget reaches balances within ten years, just like the past three House Republican budgets. Conversely, the president's budget never balances – ever.

**Q: How much does the budget save?**

**A:** This budget achieves \$7 trillion in deficit reduction over ten years through a combination of \$6.5 trillion in savings coupled with economic growth. The savings are higher than any previous House Budget Committee proposal and discretionary spending is below 2008 levels.

**Q: What is the topline discretionary spending number?**

**A:** For fiscal year 2017, this budget reflects current law and abides by the Bipartisan Budget Act of 2015. For the remainder of the budget window, this budget would lower overall spending below the discretionary caps established in the Budget Control Act of 2011 – increasing resources for national defense and lowering spending on non-defense policies and programs.

Taxes

**Q: How does this budget affect federal tax revenue?**

**A:** This budget calls for comprehensive tax reform that achieves a simpler, fairer, and more competitive tax code. It does not include any tax increases and calls for revenue that matches the Congressional Budget Office's (CBO) baseline estimate. An additional amount of revenue above CBO's current law revenue estimate is assumed due to the positive macroeconomic feedback that results from repealing the Affordable Care Act.

**Q: How does this budget handle the taxes in Obamacare?**

**A:** The House Republican budget repeals all of Obamacare—including the law's tax hikes. At the same time, this budget calls for fundamental tax reform that would raise just as much revenue as the current code in place today, but without the harmful tax policies embedded in current law (like the Affordable Care Act).

Health

**Q: Does this budget fully repeal Obamacare?**

**A:** Yes. This budget repeals Obamacare in its entirety. It repeals all of the subsidies, taxes, regulations, mandates and the Independent Payment Advisory Board (IPAB). Understanding that

America's health care system is in need of reform, our budget calls for starting over with patient-centered solutions that will give individuals and families greater choices and the flexibility to pick a health care plan that best suits their needs.

**Q: Is the Republican plan for Medicare a voucher program?**

**A:** No. A voucher is simply a piece of paper of redeemable value that is given to individuals who are then expected to use that voucher to purchase insurance on their own. Under the improved Medicare system our budget envisions, beneficiaries would pick from a list of federally-certified plans that best suits their needs. The government would make a payment directly to the insurers to help cover the cost of that plan. Coverage would be guaranteed, and traditional Medicare would always be available for those in the program and for future generations. It would operate in a manner similar to Medicare Advantage and Medicare Part D – both popular with today's seniors – or the health insurance that federal employees currently receive.

**Q: Will current seniors lose their Medicare?**

**A:** No. Every senior currently in the program today and every American who will enter the program in the future will always have traditional Medicare available for them.

**Q: Since this budget repeals Obamacare, what happens to those covered under the law's Medicaid expansion?**

**A:** This budget repeals all of Obamacare which would include the law's Medicaid expansion. Obamacare forces millions of Americans into a Medicaid system that is already failing to provide access to quality care for many beneficiaries. Rather than expand an underperforming Medicaid program, this budget envisions true, patient-centered health care reforms and an improved Medicaid program that gives states the flexibility to provide better quality care for those in need. In addition, we envision a system that allows everyone the opportunity to select the plan they and their families want, not what Washington forces them to buy.

National Security and Veterans

**Q: How much money does this budget spend on defense?**

**A:** This budget abides by the Bipartisan Budget Act of 2015 which provides \$551 billion in base national defense funding for Fiscal Year 2017. This budget provides an additional \$74 billion in total resources for the Global War on Terrorism and Related Activities fund otherwise known as the Overseas Contingency Operations (OCO) fund. This budget assumes \$23 billion of the FY2017 OCO resources to go toward base defense funding requirements – bringing the total base level to \$574 billion.

**Q: Does this budget use OCO to plug a hole in base defense spending?**

**A:** The first and foremost responsibility of the federal government is to protect and defend the American people. This budget takes that responsibility seriously by providing resources that

reflect the needs of our military – helping ensure they are well-equipped and well-supported in order to complete their missions. Utilizing OCO funding to support base defense requirements has enjoyed bipartisan support in the past when allowable defense resources under existing statutory limits were insufficient to fully fund national defense needs. The budget recognizes this reality and recommends providing \$23 billion in OCO resources for fiscal year 2017 base defense resources.

**Q: How does this budget address the needs of our veterans and the failures at the VA?**

**A:** Congress has performed its duty to provide adequate resources to the Department of Veterans Affairs (VA) and conduct important oversight of the department. The current administration needs to do a better job of ensuring those resources and recommendations are carried out and that our veterans receive proper care. This budget supports the continued oversight efforts of the House Committee on Veterans' Affairs to ensure the VA is accountable and transparent in their work and that our veterans receive effective and efficient benefits and services.

**Q: Does this budget reduce spending for veterans?**

**A:** Veterans are a top priority in this budget. Our budget provides a four percent increase in discretionary budget authority for veterans benefits and services relative to last year's level. This is in addition to the 27 percent increase in discretionary funding for the Department of Veterans Affairs (VA) that has occurred over the past six years. However, given the continued failures of the VA to effectively and efficiently deliver benefits and services to America's veterans, such as timely access to health care, it is clear that the VA has a management problem, not a money problem. Consequently, this budget calls for meaningful reforms at the VA to improve the delivery of benefits and services to our nation's veterans, including employee reform, procurement reform, stronger oversight of the department's usage of the Federal Acquisition Regulation, and more accountability overall.

Safety Net

**Q: What reforms does this budget make to the nation's safety net programs?**

**A:** This budget envisions significant improvements to those programs that provide assistance to citizens who need it. Key to that effort is giving states more flexibility to tailor many of these programs to better meet the specific needs of their populations. This budget supports streamlining and making more efficient, effective and accountable those programs that are needed while eliminating those which are duplicative or ineffective. Tamping down on waste, fraud, and abuse will also help free up more resources to go toward those Americans that truly need our help. Rather than focus on how many people sign-up, this budget focuses on how we can help people move through and out of these program and build a life of self-sufficiency.

**Q: What is the budget's policy on work requirements?**

**A:** This budget supports work requirements for able bodied adults without dependents. Moving people out of the safety net and into good-paying jobs ought to be our goal. This budget reforms

and streamlines the federal government's vast array of assistance programs so folks are better able to find a job and provide for themselves and their families.

**Q: How does this budget reform food stamps?**

**A:** Funding for the Supplemental Nutrition Assistance Program (SNAP) has grown from \$18 billion in 2001 to \$74 billion in 2015. It's grown in good times and bad, because of the open-ended nature of the program. States get more money if they enroll more people and currently states lack the flexibility or authority to improve the program and avoid Americans becoming trapped in the program. This budget converts SNAP into a State Flexibility Fund tailored for each state's low-income population.

**Q: What changes does this budget make to the Social Security Disability Insurance program?**

**A:** This budget strengthens the Disability Insurance program by putting an end to the "double-dipping" loophole that currently allows individuals to receive both unemployment insurance and disability insurance simultaneously.